THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) In view of difficult financial position of Mangalore Refinery and Petrochemicals Limited (MRPL), A.V. Birla Group (ABG) had proposed to quit the company in favour of a financially sound investor who had the capability to inject required capital for the turn-around of MRPL. Accordingly, in March, 2003, Oil and Natural Gas Corporation Limited (ONGC) acquired the entire shareholding of ABG in MRPL for Rs. 59.43 crore and also infused Rs. 600 crore during that month as part of the approved Debt Restructuring Package. With this, HPCL's equity shareholding in MRPL came down from 37.39% of 16.95%.

(b) ONGC took management control of MRPL on 30.3.2003. As on 31.3.2003, the accumulated losses of MRPL amounted to Rs. 1,184.50 crore.

(c) No, Sir.

(d) Does not arise in view of (c) above.

Non-availability of tanker ships for LPG

1479. SHRIMATI BIMBA RAIKAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the LPG crisis in Delhi in September, 2005 triggered by strike in LPG bottling plants in Delhi area, has ended by now;

(b) whether the refineries including Reliance have resumed production of LPG; and

(c) whether a new threat has emerged with the non-availability of tanker ships for carrying LPG from overseas?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) LPG requirements are met by a combination of domestic production and imports. A temporary shortage of LPG emerged in September, 2005 on account of various factors. PSU production in the period April—September, 2005 was 303 TMT (Thousand Metric Tonne) less than planned; Reliance Industries Ltd. (RIL) production was 190 TMT less than planned. In consequence, physical inventories with oil marketing companies (OMCs) declined from 333 TMT at the beginning of April, 2005 to 190 TMT at the beginning of October, 2005.

Then, with effect from 4th October, 2005, RIL, the single largest domestic supplier of LPG, shut down their Fluidized Catalytic Cracker (FCC) unit at Jamnagar for maintenance work. Moreover, at just about the same time, as RIL confirmed its shutdown effective October, 2005, domestic production prospects were seriously impacted by the fire in Mumbai High North and global LPG supplies became tight, largely on account of the impact of Hurricane Katrina on US refineries. All these factors put together upset the plans made by OMCs to effect imports in time to offset the anticipated shortage in supplies. This fed rumours in the market that OMCs would not be able to meet the demand, leading to a sudden spurt in demand. There was also a strike in bottling plants in the National Capital Territory (NCT) area towards the end of September 2005 which aggravated the situation.

The Ministry took matters in hand early in October, 2005 when it was decided that through a combination of inventory management and imports, directly handled by a composite task force of the OMCs under the close supervision of the Government, physical shortages of supply would be overcome as quickly as possible. It was also decided that bottling plants in the NCT area would work on Sunday, 9th October, 2005 and other holidays. On the basis of these decisions, it was announced that the physical shortage in the NCT area would end by Dusshera and substantively in the rest of the country by Deepavali. These objectives have been largely achieved. In addition to the arrangements made earlier by OMCs to import 642 TMT of LPG during the period October-December, 2005, arrangements have been made to import an additional quantity of 237.9 TMT during this period. 138 TMT of which has already reached the country. Thus, the overall physical shortage in the country at present has been reduced to only about 1.5% of the average monthly consumption of LPG.

(b) The refinery of M/s RIL has resumed production from 1st December, 2005 and the position of LPG availability is expected to improve substantively in the coming few weeks.

(c) Public Sector Oil Marketing Companies (OMCs) have reported that there is no immediate threat on account of non-availability of tanker ships for importing LPG.